

COMMISSIONERS PROCEEDINGS
MAY 23, 2006
CLARK COUNTY, WASHINGTON

The Board convened in the Commissioners' Hearing Room, 6th Floor, Public Service Center, 1300 Franklin Street, Vancouver, Washington. Commissioners Stuart, Morris, and Boldt, Chair, present.

9:45 A.M.

PROCLAMATION

Commissioner Stuart read a proclamation declaring the week of May 21 through May 27, 2006, as Public Works Week in Clark County, Washington.

Pete Capell, Director, Department of Public Works, introduced the following staff to accept the proclamation on behalf of Public Works: Darrell VavRoski, Kirk Russell, and Davie Ludahl.

Morris made brief comments.

10:00 A.M.

PLEDGE OF ALLEGIANCE

The Commissioners conducted the Flag Salute.

BID AWARD 2446

Reconvened a public hearing for Bid Award 2446 – Platform Beds with Concealed Restraint Holders. Mike Westerman, General Services, read a memo recommending that Bid 2446 be awarded to the lowest responsive bidder.

Boldt asked how many beds there were.

Westerman said 14.

Boldt wanted to know what would happen to the beds being replaced.

Westerman responded that they would become surplus and they could put them up on E-Bay, or they could be used as spares for the Health Department, but a decision had not yet been made.

Boldt asked if the old beds were more expensive than the new ones.

Westerman said that was correct.

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Morris pointed out the difference in price of about \$300 and they were awarding this to a company in Indiana versus one in Washington state, based on the \$300 difference. She asked if there was a legal way to give preference within a certain percentage difference to companies based in Washington.

Westerman said there was nothing in the RCWs that allowed that if the board so chose to change the code to allow that, but then they would be subject to reciprocal agreements between Oregon State, or any other municipality outside of Clark County.

Stuart said that last year they looked at ways of enhancing the local purchase preference and they found out that there are legal constraints regarding having to go with the lowest bid and that if you don't, you're then subject to other jurisdictions penalizing Washington products, or Clark County products, when they come to bid for us. At the state level they don't really have the authority to do what Commissioner Morris is suggesting.

Westerman pointed out that they did an outreach program to find Washington vendors and this particular vendor was able to respond.

There being no public comment, **MOVED** by Stuart to award Bid 2446 to Hill-Rom Company, Inc., of Batesville, Indiana, in the total bid amount of \$14,755.65, including Washington State sales tax, and grant authority to the County Administrator to sign all bid-related contracts. Commissioners Boldt, Stuart, and Morris voted aye. Motion carried. (See Tape 276)

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

Boldt stated that there was a request to add an item to consent for approval. He asked staff from the Sheriff's Department to provide explanation.

Barron explained that this was a request for approval of an Interim Interlocal Mutual Law Enforcement Assistance Agreement with the City of Ridgefield. Mr. Barron apologized for the add-on item, but said the Sheriff, Prosecutor, and he felt it was imperative to bring this issue before the board today.

Sheriff Garry Lucas stated that last Thursday it came to their attention that the City of Ridgefield had placed their Police Chief on administrative leave and they were in need of assistance of managing their organization. He said legal council was consulted and they feel they found an interim way through the situation until they can develop a more complete interlocal agreement.

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Denny Hunter, Prosecuting Attorney's Office, said the agreement is an interim agreement and provides for the provisions of Assistant Chief, Erin Nolan, to oversee operations in Ridgefield on a temporary basis. Mr. Hunter said the agreement also defines the relationship of the parties as far as the agreement is concerned and leaves for further resolution some unresolved contingencies, one dealing with insurability and risk transfer and others dealing with internal approvals in the City of Ridgefield of their Civil Service Commission and Police Department's labor organization. He said the risk management aspect under the interim agreement would require that within the next 10 days Ridgefield either name the county and Sheriff as an additional insured under its current existing policy, or to separately insure their risks. He further explained. Hunter introduced Mike Wynne.

Boldt said that under Liability it reads that "Ridgefield assumes full and complete responsibility for the performance of Assistant Chief Nolan..." and then in Section A it says they will "hold harmless a Clark County Sheriff and Erin Nolan." He asked if those two worked together.

Hunter said yes. Ridgefield would take over control and supervision of Assistant Chief Nolan as to her performance under the contract and whatever she does under the contract would basically be on their nickel.

Mike Wynne, City Attorney, City of Ridgefield, expressed appreciation to Sheriff Lucas and Mr. Hunter for their assistance.

Stuart asked if the City of Ridgefield's Council would be asked to sign off on Thursday night.

Wynne confirmed that was correct. He added that they were in an insurance pool with WCIA and they running the insurance issues by them for the indemnification so the county's not out of pocket in case something were to happen.

Morris said the language in the agreement seemed to give Commander Nolan split responsibilities to him and to the City Manager of Ridgefield. She wondered if that would be difficult.

Sheriff Lucas said he was confident that Commander Nolan has the requisite ability to handle it.

Morris thought it was worth noting due to the complicated situation.

Stuart wanted to know what the line of command would be for Commander Nolan in this contract.

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Sheriff Lucas responded. He said Commander Nolan's responsibility in all matters that relate to the City of Ridgefield would be to the City Manager.

Morris asked Sheriff Lucas if he felt confident that she would have the full support of the City Manager and would advise him should she not have it.

Sheriff Lucas said yes.

Boldt asked about the length of the agreement.

Hunter said there are two automatic 3-month extensions and the parties could opt out on 30 days notice at any time, but 9 months was the life of the contract.

Boldt wanted to know what would happen if it was necessary to go beyond 9 months.

Hunter said they would come back before the board with an amendatory proposal.

Barron pointed out that that pursuant to Section 5 they would not receiving any cost for the service of Commander Nolan through the end of August, after which time they would begin to receive reimbursement for the salary, benefits, and direct/indirect costs of this matter. Also, he said he had been in contact with the Washington Counties Risk Pool, which is their insurer, and they have given verbal authority to go forward with this.

Wynne stated that the Interim City Manager was Justin Clary and that is who Commander Nolan would report to.

There being no public comment, **MOVED** by Stuart to approve the acceptance of the Interim Interlocal Mutual Law Enforcement Assistance Agreement. Commissioners Boldt, Stuart, and Morris voted aye. Motion carried. (See Tape 276)

Boldt referenced consent item 2 (Request from Vancouver-Clark Parks & Recreation for approval of Purchase and Statutory Warranty Deed for a 6.44-acre property for a Neighborhood Park located in Park District 5). He wanted to know if the asking price of \$915,000 was current market value and where the money was coming from.

Pete Capell, Director, Department of Public Works, said it was current market value and the funds were entirely out of the Park Impact Fee program, which was from new development that pays the impact fees. He said they need to spend the funds within six years of collection.

Stuart wanted to know about the property directly to the east of the subject property and what they knew about that parcel.

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Capell said they have some interest in that property through some storm water requirements and they may end up having that property come to the county for storm water facilities.

Stuart wanted to know if there was the potential for opportunity of some of what they've talked about in terms of coordinating facilities and having a water quality facility and open space parkland in that same parcel.

Capell said a lot of work would need to be done, but it was possible.

Stuart said he would like to have more discussion about that. He said he would also like to look into some kind of partnership between the 6-acre site and the school district that's in the area as far as any possible future plans for an elementary school.

Capell said they could certainly do that.

Boldt said that people make the statement that growth doesn't really get them anywhere, but he wanted to emphasize that they were spending \$915,000 to take six acres that is prime buildable land and make it a park and that's what new construction has gotten them.

There being no public comment, **MOVED** by *Stuart* to approve items 1 through 10, with the exception of the minutes of November 28, 2005 (included in item 7), which were previously approved on the January 24, 2006 consent. Commissioners *Boldt*, *Stuart*, and *Morris* voted aye. Motion carried. (See Tape 276)

Morris asked Mr. *Capell* if her calculation was correct: they were paying about \$150,000 an acre for the property.

Capell said yes, that they were purchasing just under 7 acres.

PUBLIC HEARING: URBAN HOLDING

Held a public hearing to consider rezoning properties in portions of the northern Vancouver Urban Growth Area with the Urban Holding overlay to the underlying zoning district. The Board may also review draft development agreements to assure that the requirements of the Comprehensive Plan and UDC provisions are fulfilled. Hearing continued from April 25, 2006 and May 9, 2006

****Verbatim****

BOLDT: Moving on to urban holding.

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MARTY SNELL: Good morning, Commissioners. Marty Snell of Long Range Planning. Couple of items I want to bring to your attention before you perhaps open up for public testimony. Got a resolution on the back side of the room; there's a date stamp on this: May 17, 2006, with actually a time stamp to about 12:00 p.m. So this is the latest resolution that has been drafted from two weeks ago and then following a work session on May 10, so that's for your consideration. The other piece is –

BOLDT: Marty, is that what we have in front of us?

SNELL: Yes.

STUART: Thank you for getting that in plenty of time so people had a chance to read it.

SNELL: It was posted on the county's web site last Wednesday and, again, there is a date and time stamp so folks can see that they should be looking at the May 17, 2006, 12:00 p.m., draft. The other item from the work session May 10 is that you asked us to calculate some carrying cost for paying some enhanced impact fees for school district, and I've got some there on the back table that says "Sample Only for Potential Revenue", it's a small spreadsheet and I'll just kind of go over that very very quickly. Battle Ground School District currently charges \$3,000 per new single-family residence. If the impact fee were to go to \$5,000, the difference would be \$2,000. Looking at 1,000 lots that would be a total revenue of \$2,000,000, so the total would be \$5,000,000 for those 1,000 lots. To finance that at a simple interest rate of 8% for a one-year period would be \$160,000 for 90 days, which was calculated from preliminary plat approval to final plat approval and pulling of building permits, it's roughly \$40,000. So you'll see that there would be a difference of \$160,000 for carrying a year's cost or \$40,000 for a 90-day cost. That's just something for your information that you had asked for at the work session. With that, we'll entertain any questions or comments.

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MORRIS: Where'd you get your 8% interest? If a developer doesn't get a better interest rate, they need to change banks.

SNELL: That's true. This is something Mr. Orjiako put together as a sample only.

MORRIS: Okay. Thanks.

BOLDT: Any other questions? Okay. We will go to...I'll start it with Steve Madsen.

MORRIS: Mr. Chairman, I don't know exactly where's the appropriate place for me to say this on the record, but I am not able today to support the provisions for the schools that were in the most recent language that we saw from Mr. Lowry. So when we finish the discussion today, I'll be asking to delay that part of the resolution.

BOLDT: Okay.

MORRIS: Thank you.

STEVE MADSEN: Thank you, Commissioners. My name is Steve Madsen. I'm the Governmental Affairs Director for the Building Industry Association of Clark County. The Building Industry Association supports adoption of this resolution. We have met in work sessions with most of the parties that have an immediate financial and regulatory interest and feel like the negotiated ordinance meets our expectations of the process. I would also like to address to the commissioners that I've been working with the Battle Ground School District Impact Fee Committee and met last week and again last night and we're prepared to support the recommendation of their fee to the Battle Ground School Board, which is having a work session this evening, and I would ask that Commissioner Morris get more information on that proposal before you jump to a conclusion on this

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resolution because I think it will be along the lines of what everybody has been emphasizing their position is.

MORRIS: Thank you, Mr. Madsen. How much are those fees? And let me forewarn you, I have already jumped.

MADSEN: Okay. We have...it was discussed—and I don't think I'm telling in tales because it's going to be recommended tonight—recommending a graduated fee increase over the two-year life before the next review so that would be...I think the recommendation is going to be for the first year to be at \$6,000 and the second year to be at \$7,500, and then in two years again when the school district is required to review its capital facilities plan again, it will re-do the calculation.

MORRIS: Thank you.

BOLDT: Mr. Madsen, I received from, is it your Policy Committee –

MADSEN: Yes.

BOLDT: that you've created.

MADSEN: Correct.

BOLDT: Is this going to go back to your Policy Committee now and see if they make changes?

MADSEN: Unfortunately, you know the time scale that this is moving on really makes it almost impossible. You know, I am presenting the BIA's position in this matter based more on my direct consultations with specific members than I am that there's been a

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specific board resolution or something along those lines so all I can say is that the development community wants to do its part. We're talking about over two years an increase of 150% in impact fees. I realize that it could go higher, but you got to realize that is a lot to stomach and we're willing to step up.

STUART: I just wanted to thank you for coming in. We've asked the private sector to step up and you have.

MADSEN: Thank you.

BOLDT: And for my...I guess I would as we go from here and further, is that your agency is I think in a good place, at least to me, for telling me how that relates to the homebuyer and maybe when we come up with impact fees from, you know...in the future you can say, okay, these total effects will mean this much on this particular house. It just helps me anyway.

MADSEN: One of the things that I brought up through the impact fee committee process was this concept of ground-truthing that we're always talking about and seeing, you know, maybe putting in a mechanism or even doing the work historically already on the data that's out there, to really look at, you know, not only are these fair contributions from the development community, but also what really is the elasticity in terms of at what point you can set your impact fees at \$20,000, but that doesn't mean your going to collect because nobody's going to build a house with a \$20,000 impact fee. So those are definitely market factors that I think bear more analysis. I agree.

STUART: Yeah, because the private sector has to be part of the solution, but so do we, you know, and there's...I would really appreciate your help in analyzing what part local government and state government needs to be playing to help solve this issue that everybody's concerned about with schools.

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MADSEN: And impact fees aren't going to do it, no matter what you set them at. The statutory regime isn't going to do that. One of the other things that was a focal point of our conversations in the committee was the use of an inflationary factor to determine capital facilities costs and in some preliminary figures the school district had put out inflation adjusted...and not just inflation on a general index, but on a construction materials index, which bumped the maximum fee quite high. Now, personally I think it's responsible to do that. The problem I have with it in trying to apply it right now in this context is no other district's doing it that way and so it creates a huge disparity in how other districts are calculating their capital facilities total. So I guess I would encourage, if we're going to do it one way—and to me it does make more sense to include an inflationary component on a six-year plan, but I think the school districts should all be doing it the same way because then you're going to create a huge market disparity if you try to impose it ad hoc like that.

BOLDT: Okay. Thank you very much.

MADSEN: Thank you.

BOLDT: Lynn Hicks?

LYNN HICKS: Good morning, I'm Lynn Hicks from the Battle Ground School District. I just have one comment today and that's about the language that's in the resolution, and it's in Section 4, which is on page 4, item number 3, and it's the last sentence where it says, "The execution of a development agreement by the district will be deemed by Clark County as evidence of the availability of adequate school facilities for purposes of Title 58 RCW as to any subdivision to be permitted on property that is the subject of a development agreement." And my comment is that the Battle Ground School District will not deem the enhanced school impact fees as a way to fund adequate school facilities and,

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in fact, Mr. Madsen just said impact fees aren't going to do it. What the enhanced impact fees will do is they will get us portables that will temporarily house the children until we can pass a bond to build brick and mortar schools, which the Battle Ground School District believes are adequate school facilities. Thank you.

STUART: Lynn, let me just say we are all disappointed in the results last week and look forward to figuring out ways we can move forward.

HICKS: Right. And we will move forward. Thank you.

BOLDT: Thank you.

STUART: Thanks, Lynn.

BOLDT: Mr. Howsley? Mr. Howsley, are you...okay. You're not signed up...

[Inaudible comments from Steve Horenstein]

BOLDT: Sure. I actually have time for you today. Maybe you should go first though, so they won't steel your thunder this time.

STEVE HORENSTEIN: My only comment would be we spoke yesterday with staff about the possibility of...if you proceed today under the ordinance as drafted, we're fine. If you choose not to do that based on Betty Sue's concerns, which she will express I'm sure, we would like you to pull out the commercial...create separate resolutions for the two commercial parcels, the Killian parcel and the Graymore parcel –

RANDY PRINTZ: And Area A.

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HORENSTEIN: And Area A, and run separate resolutions on those next time, if it's going to take longer to solve the school problem.

BOLDT: Commercial and Area A?

HORENSTEIN: Yes.

BOLDT: They're wrapped together, are they?

PRINTZ: Right. The reason for that is that—Randy Printz, 805 Broadway. The reason for that is that there are arguably different issues associated with each of those. For example, on the commercial for the Graymore piece and the Killian piece there's no school issue obviously because they're commercial so there's isn't a school issue. So having them in a resolution that has school issues in it...if that resolution, for example, or ordinance, were to be appealed then they would get—on a school issue alone they're now dragged through all that on a solely school issue. The transportation issues would be identical in their resolution as it would be for the residential.

BOLDT: Okay, to cut to the chase, Mr. Lowry, could we do that?

RICH LOWRY: Absolutely.

STUART: And I have a question about that actually. Legally, I mean, you know we're implementing the former board's growth plan so in the former board's growth plan it says we need to address these by subarea –

PRINTZ: It says by area, with no definition.

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STUART: By area. There's no definition of what area is of course, but we've spent this entire time talking about sub areas. That has been the discussion is subarea by subarea, so I'm relatively concerned about pulling out...I like the idea of phasing in properties and having revenue producing properties that don't produce impacts to schools going first. I like that. That's great, but it seems to be that needs to be part of an overall strategy of how to relieve pressure...how to provide services in the subarea.

HORENSTEIN: Let me address that. First of all, I think you have three separate identified areas here: you've got J for Killian, A for [McCune], and I believe Graymore is a separate area.

STUART: It's a separate subarea?

HORENSTEIN: Yes, as you've denominated them on the map. That's the first point. The second point is we only are asking this if at least one of you, if not both of you, agree with Commissioner Morris' desire to do some more work on the schools. If you're not going to do that, then this isn't necessary except for Area A, as previously discussed. But if you are going to spend more time on the schools, as she's going to request that you do, then let's let the commercial areas that are separate areas go forward so we can get start getting some sales tax and property tax moving.

PRINTZ: We're not trying to substantively change anything that's before you.

BOLDT: Can we just clear it up? Mr. Lowry, can you...

LOWRY: Sure. Area A is pretty simple because it is a standalone area. The commercial on the other hand are intermixed with residential, although it may have been pulled out as a separate designation by staff in dividing up the urban holding. However, as indicated in the board resolution, all the analysis is being done on an area wide basis and that area

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wide analysis if it indicates that the commercial has no remaining issues under the comp plan criteria, lifting it separately doesn't mean we're not doing it on an area wide basis, in my judgment. I think the analysis, the determination as to what needs to be done for transportation is being done area wide.

PRINTZ: The transportation analysis on the commercial side -- remember that what you would do with this resolution is your not lifting urban holding for commercial.

STUART: This is just a first step.

PRINTZ: This is actually for Area A you are because there's nothing else to do for that, but for the commercial and all the other industrial pieces...or residential pieces, all you're doing is you're saying...you're passing a resolution or an ordinance, however we do this, that provides a platform that says you may remove if this additional analysis—whether it's schools and transportation on the residential side or just the transportation on the commercial side—that analysis is in the process of being done and is on an area wide basis.

HORENSTEIN: And, also, think of it this –

PRINTZ: It's not a site-specific transportation analysis.

HORENSTEIN: Another way to look at it is that when development agreements come in for the commercial and industrial property, they won't mention schools because they don't pay impact fees for schools. So there will be no requirement on the school side for the commercial industrial [inaudible].

MORRIS: Mr. Lowry, if I remember right I asked you several months ago if we could lift by zone designation and you said at that time we could.

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LOWRY: Yes. Again, I read the requirement in the comp plan that lifting be by area, not property specific, as meaning that we have to look at the criteria for lifting on an area wide basis and that's exactly what's been done and if those criteria suggest that commercial's ripe to be lifting, although at this point we're, again, on an initial platform, then I think you can lift by zone so long as the analysis that got you there is area wide.

STUART: Thank you, Mr. Chair. I think the transportation fix looks good area wide and so I think that we're struggling with the issues of schools and certainly we've already heard from Commissioner Morris that there's still a concern that we're not there yet on the schools piece of this, and certainly I think we're all concerned about what we do about that with schools, you know, what we do to help. I guess I'm trying to think through—and I think I'll probably get there by the end of testimony—trying to think through how we might be able to recognize that the transportation fix is area wide. It has been developed; we have a solution for the area and because there will be no impact on schools from these job-producing parcels, there may be a way to put that into a resolution so that we go ahead and move forward with the job-producing sites, based on the fact that we've already addressed all of the infrastructure needs of those sites and move forward with a solution for schools on the rest of it. I don't know how to get there yet, but I'm just kind of...

PRINTZ: We've got a ways to go on the transportation piece. I think conceptually we're...I think we're there in terms of when an analysis is going to get done. That analysis hasn't been done...that analysis includes residential and commercial both, and it's going to be done on an area wide basis. I think the issue for Steve and I, particularly on the commercial piece, is that in the event that for whatever reason either the resolution that you adopt today or at some point in the future has schools and transportation in it and if there were challenges to that based solely on schools, number 1, then those commercial pieces end up going with that; and number 2, if for some reason the school issue took

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longer to resolve than the transportation piece, then again those commercial pieces would be held up. You've said it that the commercial pieces don't really have an impact on schools, which...they don't have a negative impact, they actually have a positive impact.

STUART: Produce revenues, yeah.

HORENSTEIN: And, again, this assumes you don't go forward with schools today. We know Commissioner Morris has some strong feelings about it and you're going to hear about that in more detail and I think we've probably done the best we can with the few clients we mentioned we have on the school issue, but perhaps you need to take the bull by the horns and do something different, but we're kind of out of ideas on that ourselves.

BOLDT: While we're here, Mr. Lowry, can we do this part today or do you recommend doing a different resolution and have it for next week?

LOWRY: We would need a different resolution. I think the board could give us the direction today and we could have it ready for consent next week. I might suggest to Commissioner Stuart if you take a look at Section 6.2.a, I think that at least provides the context for dealing with the area wide implications of lifting only on specific zones.

BOLDT: Okay. While you're up here do you have any comments on the residential piece or the school piece, while you're here?

PRINTZ: My only comments—I think Jamie probably has some similar ones—my only comments are that we have spent a lot of time with the school district, you know, sitting across the table and I think that has been...number one, it's been productive, and two it's been very cooperative. We just heard for the first time that apparently last night, at least the committee is recommending to the school board to adopt impact fees that substantially in excess and if I'm listening to the numbers right, even if you took...just for

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urban holding you took the thousand lots that are there and multiplied it by six or seven thousand dollars per lot, you know that's six or seven million dollars, which as Lynn pointed out, 1) certainly would fund physical facilities, albeit portables, to house any of the students that would be there, but number 2, also provide a basis, I think in conjunction with the comp plan that you guys are working through, to do a CFP that would provide bricks and mortar for the future. So my hope is that while I understand the issues and I understand the seriousness of those issues, they aren't just the new home responsibility. People move into the district and have three kids that replace a home that didn't have any kids and those guys don't pay anything, and education is a community issue and it needs to have community resolution. Everybody at this table and most of the development community, including BIAW, has been very supportive of impact fees and trying to work with the school districts to get there.

HORENSTEIN: I concur with Randy's comments. I really don't have anything additional to add.

JAMES HOWSLEY: For the record, James Howsley, Miller Nash, 500 East Broadway. Yeah, I concur with Randy's comments and again I would just like to reiterate my comments from the last hearing that we're nearing a new era of cooperation here in Clark County with the private and public sector. This is the first time, in my recollection at least, that the Building Industry Association has supported an impact fee in any school district in this county and it just behooves us to keep this process moving forward. All this ordinance does is set forth the framework to move forward with development agreements that will lay out more specifics. I will respect the board's decision whatever way it goes today, but should a recommendation of delay for the residential portion of it happen, I would just ask that a reasonable timeframe be limited to a week or two weeks to get a solution on the table to keep this thing moving forward. I would hate to see this keep lingering on throughout the summer and into the fall.

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BOLDT: I just have a question, we start moving these impact fees way up and then all of the sudden we go to Olympia and God brings a direction of heart to the realtors and they change our impact to REET, what would that do to this?

PRINTZ: Well, in my view it would help this issue considerably because of the very thing I just said, which is that when somebody moves into the district that maybe has kids that isn't buying a new house—they're buying an existing house—they would pay REET on that transaction and that would help fund schools that their kids are going to go to. It would simply be a much broader based form of funding, which to me would be...the more broad based funding we can get for schools, the better.

BOLDT: Okay.

HOWSLEY: And it would appear to me as well that if you can diffuse it, you're not jamming up so much cost in the new construction where you're going to be getting new houses [inaudible] to be \$300-350,000 on the market anymore. If you can diffuse that, that has a real impact on affordable housing in this community.

LOWRY: I might just add to that impact fees obviously can only be applied to address new developments impacts to the extent that we have a district that has a huge deficit going in, that deficit can't be addressed with impact fees, but could be addressed by REET.

BOLDT: Very good.

HORENSTEIN: And my only comment...as with transportation, we're getting to a cost level for improvements now that exceed the ability of the public sector and the private sector to pay it. So my interest in REET...my question about REET is does it produce more money than we can reasonably collect with school impact fees, as well as

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broadening the base of those that help pay for it? We need as much money as we can get. That's just the way it is.

STUART: I think there was some analysis done about that to see how much you would need in REET. And I don't have the numbers so I would hate to quote them, but my memory of it is that because we are a fast growing community and because of the impact fees that we do collect as a fast growing community, it would be a significant REET that would be required of everyone to pay to replace the monies that we currently receive from impact fees. As growth starts to slow down, that balance shifts. But I don't remember the exact numbers, I'm not sure. Thank you again, gentleman, and thanks to the school district for everybody sitting down at the table and stepping up.

BOLDT: Thank you. Is there anyone else wishing to address? I don't have anybody down. Okay, I'll turn it over to you, Commissioner, for your concerns.

MORRIS: Well, I'll just share with you that there are elements that at a baseline would need to be included. The language that we have in front of us has moved the required participation of the development community to support school bonds and levies into the Recitals, which carries no force at all. And the Battle Ground School District has told us repeatedly that they need a piece of land and this only says "locating suitable sites." There has to be an acquisition of suitable sites, or of a suitable site. There are sufficient mechanisms available to us to treat school impact fees similar to traffic impact fees where you could develop a school impact fee credit program so that the upfront costs of the land acquisition would be borne by the development community and then they would receive their school impact fee credits against that. That's just one of the avenues that we explored. Ms. Hick's spoke of portables, but there's no place to put them. You'll remember that at the two existing schools in that area they can only accept two more portables...or I believe it's four more portables on the septic system and we've heard

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during past testimony about the expense and it really not being the first preference to hook those schools to sewers so they could accept more portable capacity.

So we have a specific capital facilities issue in front of us to be solved for this particular school district and it is unique to the school district. In many ways the school district is very unique because of its size, because of its geography, because of the diversity of its student population, and its very very high transportation costs. I deeply regret that the levy passed by so little because even if you have got a piece of land with portables or brick on it, you still have to take into consideration who's going to be there to teach the class. That is not our issue under GMA. Our issue is a capital facilities one so my interest continues to be capital facilities. On the whole issue of school financing, we have had significant changes since 1989 in the way we finance school construction in this state. If anyone recalls, besides me, from a public policy perspective that we used to fund school construction by harvesting lands on the school trust lands. And when we became more protective of our forests, we reduced the harvest and that reduced the money flow and I may be off on the year, but I believe it was either 1989 or 1990 was the first time that the state ever funded school capital construction by selling bonds against the general fund. So now we finance school construction to a certain extent out of general funds that go to the state and those general funds have many other demands on them and they are not like the trust lands, which were dedicated to the purpose of financing public school construction. We also had reduction in MVET, which was a major source of sales tax equalization for schools. Local governments have undergone significant changes in the way that they can collect revenues and our revenue stream have been curtailed. In the meantime, the expenses for school constructions, as ours, have gotten out of hand. So it is time for the state legislature to overhaul the way they finance school construction because we are fast approaching a crisis point with schools that it equally as serious as the crisis point the legislature has recognized in the last few sessions in transportation issues and transportation funding. I spent a lot of time during the summer of 2005 working on this real estate excise tax issue. It is problematic. It is a much more equitable way to finance

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infrastructure. It has political difficulties to it in that legislatures don't want to take tax votes. It was my experience in the legislature that if you're going to take a tax vote, you may as well take a big one because people are going to dislike you for a big one just the same amount as they're going to dislike you for a little one, and I think we would have to be in the neighborhood of at least one percent real estate excise tax in order, or maybe higher, in order to be able to replace the revenue stream from impact fees, but it is nonetheless much more equitable. The realtors have repeatedly resisted that and have effectively resisted that in the legislature and there are financial reasons, which are near and dear to their hearts. If you'll recall, they get a sales tax...I mean they get a commission on the total sale price of the house so the higher the impact fee, the higher the price of the house and the higher the commission for the person who sells the house. And that's the way that it works and that's an interest that needs to be recognized. I do understand, however, that from time to time in this market realtors will charge a percentage simply for listing a house in addition to a percentage for selling the house. So that is a significant political issue that needs to be addressed in the legislature and overcome, although it won't be easy.

It is of crisis proportions for our youngsters and this is just an example of what's going to be facing us statewide. The whole I-5 corridor is dealing with school overcrowding and how do they pay for schools. And I think that we can work this one out locally with a couple more weeks of conversation, but in general it's going to continue to be a problem. GMA says that schools are urban services, which I have grown to believe is not true. The school is not an urban service. A school is a service for children. You have more of them in urban areas because you have more students in urban areas, but the prohibition against siding public schools outside of urban growth boundaries is another element that I believe is going to have to be changed because when you have a school district the size of Battle Ground, you're transportation costs are huge and schools are not water or sewer or any of the other kinds of urban services that we typically think of that are provided by cities or an urban area. Schools are for children and there are children everywhere. So

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philosophically that is a point of disagreement that I've come to with GMA over the years.

So that's, gentlemen, where I am and I do believe that we can work this through in this immediate instance in a couple of weeks. I talked a lot, but spilled my heart.

BOLDT: Okay. So two weeks?

MORRIS: It's possible that... I would hope that we are finished in two weeks. If we bring the resolution back next week for Area A—which by the way has had full services available to it since the plan was adopted in 2004; it just got caught in the rest of this and it's only four acres and all urban services are there, and it's not in the Battle Ground School District. So if we can have the resolution next week to address Area A and the commercial areas, then I think that it would be at the outside two weeks beyond that before we would be able to work out the language, and perhaps faster than that.

BOLDT: I guess I'm okay with that, if we can have a resolution and a week for the other. It does concern me that we say that this won't affect our new growth plan, but it will affect our new plan because that's where we're heading towards. If we want to make this work and have an honest plan, we're going to have to deal with schools. The thing that really struck me though, and I think Commissioner Stuart has tried and tried to figure out where parks and schools can work together, is that we just spent \$9 million dollars on six acres —

STUART: It was \$910,000.

BOLDT: \$910,000. I'm sure Battle Ground School District would like some of that. If they could just have, but no we can buy parks, you know. But the interesting thing as I look at the \$900,000, it's coming from the same houses that are paying the school impact

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fees and paying everything else and somehow we've got to have a person to be able to...and I will continually say this, we still have to have people that I want my kids to be able to live here on some salary, you know, then to go to crime to afford their house payment. We're going to have to address, I think...I'm all out requesting a hearing on education in Clark County and there won't be no holy ground. Parks has to be involved, schools have to give us some things. It's a public school, we're going to get some things from them, they're going to get things from us and just put it all on the table if we're going to continue this conversation into the new growth plan. And to use some of these lessons that we have had here...you know, learned here through this hopefully. It's been torture for all of you people, but hopefully we can learn something from this history lesson. So I'm okay with that.

STUART: I just wanted to kind of follow up a little bit briefly just to...I think that we are learning lessons that will help us with a new plan, but I think it's key for people to remember that we are implementing the former board's growth plan; that we are trying to figure out how to pay for the services where it wasn't figured out before. We've taken some good first steps in this and I share Commissioner Morris' concerns with schools in making sure that we take our time to do this right for the kids who are going to be needing some classrooms, but I also...I will say over and over again that we asked awhile go—months and months and months ago—we asked for the private sector to step up and help us figure out how to pay for the services in the area that the former board brought in and they've done so, and they continue to do so, and to hear people come up...come forward and talk about ways that they're willing to help, it is a new way of doing things and it's great. I'm looking forward to continuing that process. I do have one question: for resolution moving forward—and this is for staff—one of the concerns that was brought up, and I wanted to make sure that we have addressed, is that there was a concern that once a developer agreement is signed...that once a single developer agreement is signed, that that will be the trigger that will open up a subarea for development, and I want to make sure that's not the case.

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LOWRY: No. The resolution provides that urban holding is only lifted for those properties whose owners signed the development agreement until a new capital facilities plan and impact fees are adopted, at which point the board would lift urban holding fully for the subareas.

STUART: And I think the clarity that I'm looking for is to make sure that that two-part process is equitable. That when the new transportation impact fee program is adopted, that that is equitable to what the development agreements would be covering; that people are paying their fair share and that that fair share is not somehow shifted to add burden or take away burden.

LOWRY: What is contemplated under the present resolution is that the development agreement would provide for guaranteeing an enhanced impact fee to a certain amount, but we wouldn't see the money until the new impact fees were actually adopted and then the guarantees would assure that these initial developments—the ones that you've heard from the attorney's on, and anymore that want to sign development agreements—would be paying the same amount as future developments would under the new program.

STUART: Okay. And will we have a resolution in plenty of time? Should we go out two weeks so that we give a week to prepare a resolution and give a week for citizens and stakeholders to be able to review it before we actually have –

LOWRY: We can probably get the resolution out tomorrow.

BOLDT: We can get a resolution out tomorrow for the commercial and Area A?

LOWRY: Correct. I mean, it's really a matter of editing what we have now to take out the school's provision and then limit it to Area A and the commercial areas.

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BOLDT: So for the other, Commissioner Morris, do you think we could get a resolution for the schools out in two weeks and then have it come to us in three?

MORRIS: Yes.

BOLDT: Okay.

STUART: Do we need that much time? I guess I'm...I would like to deal with these as in as holistic a manner as possible. I don't think there are huge tweaks that you have to make to it to get at what we're looking for in phasing this, but I don't know.

LOWRY: Well, perhaps what would make some sense is to plan on having everything back in two weeks, and what I mean by everything is that we would have the resolution ready for Area A and the commercial areas, and secondly we would either have resolutions available that would have new language as to schools so you can deal with everything at that time, or we would report back and say here's where we are, here are the issues.

STUART: That's sounds good to me.

MORRIS: Well, that would mean, wouldn't it Mr. Lowry, that the school resolution would have to be finished by next week as well and that's too fast. I'd like to see us to at least move Mr. McCune as quickly as we can. This gentleman's had all services available to him for two years now—two and a half. I mean, is there aside from...I mean, help me understand why they can't go...why the commercial and Area A couldn't proceed next week, since the only difficulty here is the schools.

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STUART: I don't think there is a problem with that. I just...because we've been speaking about all of these things together, as we approve a resolution to move forward in that first phase, it would just be helpful for me to have an idea of okay, well, where are we going for this entire area, where are we going? And that's why I was requesting that we at least have information available to us at the same time that we're dealing with the other piece of it.

MORRIS: We could give you an update, and we might be through. It depends on how easy it is.

STUART: And that's, I guess, what I was looking for.

BOLDT: So could we shoot for resolution for the commercial and Area A next week, with an update for the schools; have the resolution for the schools, a firm date in two weeks, and have a hearing in three weeks?

LOWRY: I'm not sure you need another hearing.

BOLDT: I mean, have a resolution ready to go in three weeks.

MORRIS: We could have a resolution on the schools ready in three weeks, but not in two.

STUART: Is that true? I mean, can you not have one in two weeks?

LOWRY: You're looking at the wrong person. I think...does that seem doable?

[Inaudible comments]

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BOLDT: I think I would just rather have it three weeks and make sure we don't drag everybody back here...

MORRIS: And if it's ready earlier than that, we can send out a notice and go.

STUART: That's perfectly fine. The main key is to make sure we do it right so that's fine.

LOWRY: I would recommend that you continue this matter as to Area A and the commercial area to next week on consent, when we'd have two resolutions prepared, and continue for the remaining areas three weeks, and we can certainly give you an update next week or the week after.

BOLDT: Okay. Do we have any dates for them, Louise?

STUART: So the 30th is next week and then what's three weeks from that?

LOUISE RICHARDS: [comments inaudible]

MORRIS: At least it's not a Friday.

BOLDT: Okay, with that, could we have a motion?

STUART: Thank you, Mr. Chair. I move that we continue the hearing on the—before I make the motion, are we closing public testimony at this point?

BOLDT: Yes, we are.

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STUART: Okay. Thank you, Mr. Chair. I move that we close public testimony on the urban holding public hearing and return for deliberations on the commercial and Subarea A pieces on May 30, and on the remainder on June 13, at 10:00 a.m.

MORRIS: Second.

BOLDT: Thank you. It's been moved and seconded to close public testimony on Urban Holding, to continue deliberation next week on the commercial pieces and Area A to May 30, and deal with the rest of the schools and the remainder on June 13 at 10:00 a.m... All in favor say aye.

MORRIS: Aye.

STUART: Aye.

BOLDT: Aye. All opposed? Motion carried. Thank you. We will now adjourn and we will go into the Health Department. Clark County Health Board.

[End of verbatim transcript]

The Board of Commissioners adjourned and convened as the Board of Health

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

There being no public comment, **MOVED** by Stuart to approve item 1. Board members Boldt, Stuart, and Morris voted aye. Motion carried. (See Tape 277)

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BOARD OF HEALTH COMMUNICATIONS

John Wiesman, Director, Health Department, provided an update regarding the recent norovirus outbreaks in two local senior living facilities, as well as five schools that have been affected. Mr. Wiesman stated that they were seeing the number of cases decrease. He said they would continue to ask that people continue practicing good hygiene and stay home if they are ill. He presented a graphs that illustrated how control measures end up taking affect, as well as where they're at in terms of the number of cases. He further explained the charts.

Adjourned

COMMISSIONER COMMUNICATIONS

Boldt said he worked at Dozer Days during the past weekend and there were about 10,000 kids in attendance as compared to the previous year when there were approximately 4,000.

Stuart stated that the Hazel Dell Parade was great and there was a good turn out. He noted that the parade is the second largest in the state.

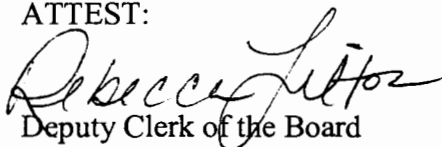
BOARD OF COUNTY COMMISSIONERS


Marc Boldt, Chair

Steve Stuart, Commissioner


Betty Sue Morris, Commissioner

ATTEST:


Deputy Clerk of the Board

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